

February 15, 1984

LB 967, 919

advance the bill.

SENATOR BEUTLER: The bill is advanced and we'll move along to LB 919, but before we do, I would like to welcome to the Legislature guests of Senator Wagner, Delores Connor from Ord, Nebraska and Thelma Lang from Litchfield, Nebraska and Leona Martins from Ord, Nebraska who are under the north Balcony. Welcome, ladies. (Applause.) Mr. Clerk.

CLERK: Mr. President, 919 was introduced by Senator Morehead. (Read title.) The bill was read on January 9 of this year. It was referred to the Banking, Commerce, and Insurance Committee for hearing, advanced to General File. I have no amendments to the bill.

SENATOR BEUTLER: Senator Morehead.

SENATOR MOREHEAD: Mr. Chairman, members of the body. This is a bill, piece of legislation that has been brought to us by the Federal Reserve System. The reason the Federal Reserve System brought this piece of legislation for our consideration is the fact that they have been asked by Congress to, in fact, expedite the handling of dishonored or in layman's terms, bad checks. This would allow a bank to send a dishonored check directly back to the bank upon which it was drawn rather than put the check into the Federal Reserve System. I can give you a short example. If you had, in fact, a grocer in Lincoln, Nebraska deposit a check with let's say NBC and that check would have to go, if the check was drawn on a Kansas bank, that check would have to go through the Federal Reserve System, Omaha to Kansas City to the bank in Kansas and then back through the Federal Reserve System from the bank in Kansas to Kansas City to Omaha and back to NBC and back to the retailer. It will eliminate float time. It will get the dishonored check back to the retailer whose problem it is and expediate this a great deal. There are 44 states that have it. Our surrounding states of Kansas and Missouri are in compliance and the Federal Reserve is asking us to follow this lead, also, in bringing everything under compliance. So I would ask for the advancement of this piece of legislation.